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CHAIRMAN'S CONGRESSIONAL REPLY COVER SHEET

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Due Date: 9/21/93

Senate ☒ House ☐

Subcommittee Member ☐ FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Incoming: Honorable John B. Breaux, John D. Rockefeller, IV, Bob Graham, Sam Nunn, Trent Lott, Conrad Burns, Connie Mack, and Phil Gramm

Subject: Spectrum auction rule making proceeding

Background: The above Senators have provided their personal views and concerns on how the Commission should implement the provisions of the Budget Act of 1993 concerning competitive bidding. Specifically, they are concerned about how a system of competitive bidding would affect certain entities designated for preferential measures by the Budget Act.

Outgoing: The outgoing notes that the Auction NPRM proposes a variety of measures, such as installment plans with interest, to ensure the economic opportunity for the designated entities.

Bureau: Office of Plans and Policy (OPP)

Surname & Div./Br.	Prepared by	Cleared by	Cleared by	Cleared by	Cleared by
Initials & date	MSM 10/20	Paul 10/21			

OLA/Chairman's Office

Initials & date	Cleared by OLA	Cleared by Baca	Cleared by BCR/O'Connell	Cleared by Cohen	Cleared by Fontes
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JUN 22 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Honorable John B. Breaux  
United States Senate  
516 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Breaux:

This in reply to your letter of September 14, 1993, concerning the impact of the competitive bidding provisions of the Omnibus Budget Reconciliation Act of 1993 (Budget Act) on small businesses and rural telephone companies.

On October 12, 1993, the Commission released a Notice of Proposed Rule Making, PP Docket No. 93-253 (Auction NPRM), to implement the provisions of the Budget Act concerning competitive bidding. According to the Budget Act, the Commission must ensure the economic opportunity of small businesses, businesses owned by women and minorities and rural telephone companies. To meet this Congressional mandate, the Auction NPRM proposed a variety of financial incentives for the designated entities. Specifically, we proposed to offer the designated entities the equivalent of government financing for payment of their bids for services subject to competitive bidding i.e., installment payments with interest. We also asked for comment on the use of tax certificates. In the case of broadband PCS, the Commission also proposed to set-aside two blocks of spectrum in each market, one of 20 MHz and one of 10 MHz, for bidding by the designated entities. In this manner, the designated entities would only compete with one another for broadband PCS rather than against larger entities with easier access to capital.

I appreciate your comments concerning how the size of market areas and the number of licenses subject to auction for each such market might affect small and minority owned businesses. In a separate proceeding on PCS, GEN Docket 90-314, the Commission adopted a licensing coverage scheme based on Rand McNally's Basic Trading Areas (BTAs) for local markets and Major Trading Areas (MTAs) for regional markets. As we consider the comments filed in the competitive bidding proceeding, I can assure you that we will keep in mind our mandate to ensure economic opportunity for the designated entities, including small businesses and rural telephone companies, as required by the Budget Act.

Sincerely,

James H. Quello  
Chairman



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

Honorable John D. Rockefeller, IV  
United States Senate  
109 Hart Senate Office Building  
Washington, D.C. 20510

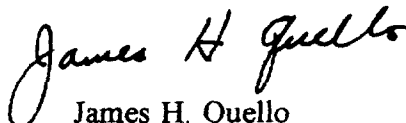
Dear Senator Rockefeller:

This in reply to your letter of September 14, 1993, concerning the impact of the competitive bidding provisions of the Omnibus Budget Reconciliation Act of 1993 (Budget Act) on small businesses and rural telephone companies.

On October 12, 1993, the Commission released a Notice of Proposed Rule Making, PP Docket No. 93-253 (Auction NPRM), to implement the provisions of the Budget Act concerning competitive bidding. According to the Budget Act, the Commission must ensure the economic opportunity of small businesses, businesses owned by women and minorities and rural telephone companies. To meet this Congressional mandate, the Auction NPRM proposed a variety of financial incentives for the designated entities. Specifically, we proposed to offer the designated entities the equivalent of government financing for payment of their bids for services subject to competitive bidding *i.e.*, installment payments with interest. We also asked for comment on the use of tax certificates. In the case of broadband PCS, the Commission also proposed to set-aside two blocks of spectrum in each market, one of 20 MHz and one of 10 MHz, for bidding by the designated entities. In this manner, the designated entities would only compete with one another for broadband PCS rather than against larger entities with easier access to capital.

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Sincerely,

  
James H. Quello  
Chairman



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

Honorable Bob Graham  
United States Senate  
524 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Graham:

This in reply to your letter of September 14, 1993, concerning the impact of the competitive bidding provisions of the Omnibus Budget Reconciliation Act of 1993 (Budget Act) on small businesses and rural telephone companies.

On October 12, 1993, the Commission released a Notice of Proposed Rule Making, PP Docket No. 93-253 (Auction NPRM), to implement the provisions of the Budget Act concerning competitive bidding. According to the Budget Act, the Commission must ensure the economic opportunity of small businesses, businesses owned by women and minorities and rural telephone companies. To meet this Congressional mandate, the Auction NPRM proposed a variety of financial incentives for the designated entities. Specifically, we proposed to offer the designated entities the equivalent of government financing for payment of their bids for services subject to competitive bidding i.e., installment payments with interest. We also asked for comment on the use of tax certificates. In the case of broadband PCS, the Commission also proposed to set-aside two blocks of spectrum in each market, one of 20 MHz and one of 10 MHz, for bidding by the designated entities. In this manner, the designated entities would only compete with one another for broadband PCS rather than against larger entities with easier access to capital.

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Sincerely,

A handwritten signature in cursive script that reads "James H. Quello".

James H. Quello  
Chairman



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

Honorable Sam Nunn  
United States Senate  
303 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Senator Nunn:

This in reply to your letter of September 14, 1993, concerning the impact of the competitive bidding provisions of the Omnibus Budget Reconciliation Act of 1993 (Budget Act) on small businesses and rural telephone companies.

On October 12, 1993, the Commission released a Notice of Proposed Rule Making, PP Docket No. 93-253 (Auction NPRM), to implement the provisions of the Budget Act concerning competitive bidding. According to the Budget Act, the Commission must ensure the economic opportunity of small businesses, businesses owned by women and minorities and rural telephone companies. To meet this Congressional mandate, the Auction NPRM proposed a variety of financial incentives for the designated entities. Specifically, we proposed to offer the designated entities the equivalent of government financing for payment of their bids for services subject to competitive bidding i.e., installment payments with interest. We also asked for comment on the use of tax certificates. In the case of broadband PCS, the Commission also proposed to set-aside two blocks of spectrum in each market, one of 20 MHz and one of 10 MHz, for bidding by the designated entities. In this manner, the designated entities would only compete with one another for broadband PCS rather than against larger entities with easier access to capital.

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Sincerely,

A handwritten signature in cursive script, reading "James H. Quello".

James H. Quello  
Chairman



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

Honorable Trent Lott  
United States Senate  
487 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Lott:

This in reply to your letter of September 14, 1993, concerning the impact of the competitive bidding provisions of the Omnibus Budget Reconciliation Act of 1993 (Budget Act) on small businesses and rural telephone companies.

On October 12, 1993, the Commission released a Notice of Proposed Rule Making, PP Docket No. 93-253 (Auction NPRM), to implement the provisions of the Budget Act concerning competitive bidding. According to the Budget Act, the Commission must ensure the economic opportunity of small businesses, businesses owned by women and minorities and rural telephone companies. To meet this Congressional mandate, the Auction NPRM proposed a variety of financial incentives for the designated entities. Specifically, we proposed to offer the designated entities the equivalent of government financing for payment of their bids for services subject to competitive bidding *i.e.*, installment payments with interest. We also asked for comment on the use of tax certificates. In the case of broadband PCS, the Commission also proposed to set-aside two blocks of spectrum in each market, one of 20 MHz and one of 10 MHz, for bidding by the designated entities. In this manner, the designated entities would only compete with one another for broadband PCS rather than against larger entities with easier access to capital.

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A handwritten signature in cursive script that reads "James H. Quello".

James H. Quello  
Chairman



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

Honorable Conrad Burns  
United States Senate  
183 Dirksen Senate Office Building  
Washington, D.C. 20510

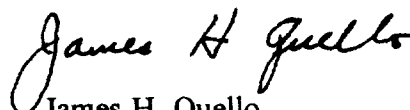
Dear Senator Burns:

This is in reply to your letter of September 14, 1993, concerning the impact of the competitive bidding provisions of the Omnibus Budget Reconciliation Act of 1993 (Budget Act) on small businesses and rural telephone companies.

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Sincerely,

  
James H. Quello  
Chairman



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

Honorable Connie Mack  
United States Senate  
517 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Mack:

This in reply to your letter of September 14, 1993, concerning the impact of the competitive bidding provisions of the Omnibus Budget Reconciliation Act of 1993 (Budget Act) on small businesses and rural telephone companies.

On October 12, 1993, the Commission released a Notice of Proposed Rule Making, PP Docket No. 93-253 (Auction NPRM), to implement the provisions of the Budget Act concerning competitive bidding. According to the Budget Act, the Commission must ensure the economic opportunity of small businesses, businesses owned by women and minorities and rural telephone companies. To meet this Congressional mandate, the Auction NPRM proposed a variety of financial incentives for the designated entities. Specifically, we proposed to offer the designated entities the equivalent of government financing for payment of their bids for services subject to competitive bidding *i.e.*, installment payments with interest. We also asked for comment on the use of tax certificates. In the case of broadband PCS, the Commission also proposed to set-aside two blocks of spectrum in each market, one of 20 MHz and one of 10 MHz, for bidding by the designated entities. In this manner, the designated entities would only compete with one another for broadband PCS rather than against larger entities with easier access to capital.

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Sincerely,

A handwritten signature in cursive script, reading "James H. Quello".

James H. Quello  
Chairman





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JUN 22 1994

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

Honorable Phil Gramm  
United States Senate  
Office Bldg.  
Washington, D.C. 20510

Dear Senator Gramm:

This in reply to your letter of September 14, 1993, concerning the impact of the competitive bidding provisions of the Omnibus Budget Reconciliation Act of 1993 (Budget Act) on small businesses and rural telephone companies.

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Sincerely,

James H. Quello  
Chairman